



## FISCAL UPDATE News Article

*Fiscal Services Division*

July 27, 2016



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### STATEWIDE COMMUNICATION SYSTEM LEASE PURCHASE

The Legislative Services Agency (LSA) received a lease purchase notification on June 15, 2016, for the financing of the Integrated Statewide Public Safety Wireless Communication System. The System will provide state and local public safety first responders with real-time, operable, and interoperable voice communications to support day-to-day, mutual aid, and task force operations.

The estimated cost is \$39.5 million, including \$36.4 million in principal and \$3.1 million in interest. The agreement will be for a period of ten years at an estimated interest rate of 1.64%. The annual debt service payments are estimated to total \$4.0 million. [Senate File 2326](#) (E911 Fund Act) authorized the Treasurer of State to enter into the financing agreement for the purpose of building the statewide system. The Act also allocated \$4.383 million for the FY 2017 lease payment. Subsequent lease payments will be subject to an appropriation by the General Assembly with approval by the Governor.

Iowa Code section [8.46](#) requires state agencies proposing to enter into a lease purchase agreement of at least \$50,000 to notify the LSA at least 30 days prior to entering into a contract. The Iowa Code section also requires the LSA to submit all notifications to the Legislative Fiscal Committee.

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